



**DRAFT AMENDMENT TO THE
FUNDING ALLOCATION POLICY AND PROCESS
&
CITIZEN PARTICIPATION PLAN
Fiscal Year 2003-2006**

**Annual Process for
Public Facilities & Improvements and Housing Rehabilitation
Applications
and
Multi-Year Process (YEAR 2) for
Public Services Contracts**

Fiscal Year 2004-2005

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COUNTY OF ORANGE

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Annual Action Plan The Funding Allocation Policy and Process & Citizen Participation Plan

The County of Orange qualifies as an Urban County under the U.S. Department of Housing and Urban Development (HUD) criteria to receive Community Development Block Grant (CDBG) funding. The County's Housing & Community Services Department (H&CS) administers these funds for the County of Orange. In adopting this Citizen Participation Plan, the County of Orange describes its goals and objectives for funding allocations in the Urban County Program and sets forth policies and procedures to promote citizen participation in the continuation of the Funding Allocation Process Plan for Fiscal Years 2003-2006, and, refinement of its five-year Consolidated Plan adopted in May 2000.

HUD establishes an 80 percent below of area median income, lower-income limitation to determine eligibility under the CDBG and Home Investment Partnership (HOME) programs, that is, funds can only be used to benefit persons with incomes below 80 percent of an area's median income (AMI). The Quality Housing and Work Responsibility Act of 1998, Title V of Public Law 105-276 (Act), outlines part of how funding allocations are made by HUD. Historically, the County of Orange has been held to a lower-income limitation because of a higher AMI; however, HUD has granted the County of Orange/H&CS, among other jurisdictions, an exemption under the Act to compute 80 percent of area median family income for CDBG and HOME program purposes using the actual median income for the Los Angeles/Santa Ana Metropolitan Statistical Area (MSA) with appropriate adjustments for family size. The County of Orange/H&CS applies the higher income limits in conjunction with current HUD determined limits at its discretion.

I. REQUIREMENTS

It is the policy of the County of Orange to ensure consistent and ongoing citizen involvement in the planning, implementation and performance of the Urban County's consolidated grant allocation which consists of the following federally funded sources: Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Investment Partnership Program (HOME) and program income accrued from HUD assisted project loans. These federal funds may be supplemented by local funding sources, including the Orange County Development Agency/Neighborhood Development and Preservation Project (NDAPP) and Orange County Housing Authority Operating Reserves/Housing Support Services (HSS) Program, if available.

The County of Orange Housing and Community Services (H&CS) Department has designed its CITIZEN PARTICIPATION PLAN to encourage public participation in developing strategies and as a plan of action to utilize the aforementioned funds. Opportunities for public comment and/or citizen involvement will be provided throughout the development of the Annual Funding Allocation Process Plan, amendments to the plan, the Annual Performance Report, and through on-going interaction with the public and sub-recipients. The County's five-year Consolidated Plan, which is updated yearly by the Annual Action Plan, provides a combined planning and reporting document that presents goals and strategies developed as a result of this citizen involvement.

The Citizen Participation Plan outlines the County of Orange's policies and procedures for citizen participation and shall be applicable to all federally funded programs mentioned above. The County of Orange H&CS submits this plan for citizen participation in compliance with HUD requirements.

II. GOALS and OBJECTIVES

Each year the County of Orange receives CDBG, ESG, and HOME program funds from HUD for local community development and housing activities. The County administers the distribution of funds throughout 13 County target areas identified as service areas, 15 participating cities, and the County at large. The City of Yorba Linda qualifies as an independent Entitlement City which can apply for funding directly to HUD, but has elected to continue participating in the Urban County Program as a Metropolitan City with 13 other participating cities with less than 50,000 in population.

Table 1

UNINCORPORATED TARGET AREAS		
Anaheim Island	* Southwest Anaheim	* Anaheim "Colonia" Independencia
Rustic Lane	Mac Island	* West Anaheim
El Modena	North East El Modena	Inter-Canyons
Midway City	Olive Island	* Sherwood Forest
PARTICIPATING CITIES		
Yorba Linda	Brea	Cypress
Laguna Beach	Laguna Hills	Dana Point
La Palma	Los Alamitos	Laguna Woods
Placentia	Villa Park	Rancho Santa Margarita
Stanton	Seal Beach	San Clemente

* Pre-Annexation Agreements dated October 22, 2002 between the County of Orange and City and Anaheim stipulate that annexation of these communities are to be completed no later than October 31, 2004.

In June 2003, the County was informed that the City of San Clemente population was over 50,000 and qualifies as an independent Entitlement City which can apply for funding directly to HUD. The City of San Clemente, like the City of Yorba Linda, elected to participate in the Urban County Program as a Metropolitan City. In July 2003, the County of behalf of the city submitted to HUD a Metropolitan City Cooperation Agreement between the city and the County. Currently, the cooperation agreement is undergoing review by HUD.

In previous Fiscal Years the County has allocated funds for activities as described in their respective Financial Allocation Policy Plan and Citizen Participation Plan. Below, Table 2 represents funds committed through year four of the current five-year consolidated plan.

Although local funds may be provided for projects which compete in the application review process outlined in this document, allocations and final approval of these local funds are made through the County's budget process and the Orange County Development Agency's (OCDA) Work Program, of which NDAPP is one project area. The program utilizes local redevelopment funds to serve the redevelopment project area encompassing certain unincorporated areas.

TABLE 2

Previous Funding by Fiscal Year

Federal funds	Year 1 2000-2001	Year 2 2001-2002	Year 3 2002-2003	Year 4 2003-2004	Total
CDBG	\$ 5,165,000	\$ 5,389,000	\$ 5,241,000	\$ 5,402,000	\$21,197,000
HOME	\$ 1,605,000	\$ 1,776,000	\$ 1,765,000	\$ 1,989,349	\$ 7,135,349
ESG	\$ 71,000	\$ 171,000	\$ 172,000	\$ 175,200	\$ 589,200
Program Income	\$ 599,700	\$ 446,020	\$ 366,771	\$ 671,270	\$ 2,083,761
<i>Subtotal</i>	\$ 7,440,700	\$ 7,782,020	\$ 7,544,771	\$ 8,237,819	\$31,005,310
Local Funds					
NDAPP	\$ 6,165,000	\$ 10,894,299	\$ 5,155,747	\$ 17,836,497 *3	\$ 40,051,543
HSS	\$ 288,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 1,488,000
<i>Subtotal</i>	\$ 6,453,000	\$ 11,294,299	\$ 5,555,747	\$ 18,236,497	\$ 41,539,543
Total Resources	\$13,893,700	\$19,076,319	\$13,100,518	\$ 26,474,316	\$ 72,544,853

*1 Table figures include the Metropolitan City of Yorba Linda's Allocation of \$331,000 for Fiscal Year 2003-2004.

In order to achieve the high priority needs outlined in the County's five-year Consolidated Plan, Table 3 identifies the funding allocation percentages proposed for FY 2004-2005. These proposed percentages represent new allocation funding for the following programs: CDBG, HOME, ESG, Housing Support Services (HSS), and program income sources.

TABLE 3

Funding Allocation Goals for FY 2004 – 2005	Totals
*1 Rental Housing Development and Homeownership	44%
CHDO Pre-acquisition (HOME funds mandate 15% of HOME funds)	
*2 Public Services (CDBG funds mandate 15% of CDBG funds)	22%
*3 Housing Rehabilitation	12%
Public Facilities and Improvements	22%
Economic Development	0%
Total from all funding sources	100%

The above priorities do not include the Metropolitan Cities of San Clemente and Yorba Linda, which define their own percentages toward priority activities (except Public Services, which cannot exceed 15% of their allocation).

*1. Rental Housing Development, Transitional Housing Development and homeownership represents 44% of the total funding allocation. Applications for these activities will be received under the Multi-Family Rental Housing NOFA/RFP. CHDO Pre-Acquisition Loans are also available under a separate NOFA process.

*2. The goal is to provide 22%, however, a minimum of 15% of the CDBG allocation and \$400,000 of HSS funds will be allocated to Public Services.

*3. Only projects located in the Urban County jurisdiction are eligible for Housing Rehabilitation funds.

a. Exemptions from the Funding Allocation Process

- Administration – (County and the Metropolitan Cities of Yorba Linda and San Clemente utilize a percentage of their allocations for Administration to administer all programs with exception to Public Services).
- County's obligations with specific target area community centers
- Cold Weather Shelter Program
- Fair Housing and Equal Opportunity related activities mandated by HUD

b. Activities Considered Non-priority Projects

The Application Review Committee (ARC) will utilize targets or limits in formulating its rankings and recommendations. No additional points will be added to applications that meet the funding priorities representing the highest unmet needs identified in the Consolidated Plan of the following:

- 1) Priorities for eligible funding requests are based upon initiating and completing projects within the contract year; therefore, planning costs will not be identified as a priority since all projects involve a level of planning.
- 2) Lead-Based Paint activity costs will not be identified as a priority since such costs can be paid either through available rehabilitation funds or through funds received from other potential funding sources such as the Healthy-Homes, Lead-Based Paint Hazard Control Program.
- 3) Economic Development will not be identified as a priority, due to the "medium priority" of this activity under the Consolidated Plan and the activity of such programs through the Orange County Business Council and other County departments.

c. Priorities

Priority will be given to:

- Public services applications based on filling the gaps in the Continuum of Care, which were not filled by SuperNOFA funding or proposals that preserve neighborhoods.
- Public works projects that focus on preserving neighborhoods or improving accessibility for the disabled.
- Projects facilitating annexation of County unincorporated islands.
- Public facility and improvement projects that were previously funded for design.
- Projects that demonstrate and leverage funds with non-governmental sources.

d. Funding Allocation Process

H&CS will receive applications from county agencies, participating cities, organizations within targeted areas, and non-profit agencies. All applicants whose projects meet the minimum threshold as priority projects described in the Consolidated Plan must submit their applications in the Year 1 (2003-2004) Funding Allocation Process. In Year 1 of the Funding Allocation Process, all applications are reviewed, selected, and funded based upon rating criteria. Year 2 and 3 funding for Public Service projects will be based upon performance. Exceptions will be made to projects that are related to Home Rehabilitation, Public Facilities and Improvements (PF&I) and Economic Development. In the event that additional funding becomes available, H&CS may pursue various options to reallocate funds, including augmenting the funding awards of higher ranked proposals or awarding funds to alternate ranked or wait listed projects that were not previously awarded funds.

e. Rental Housing Development and Homeownership Development

New housing construction/acquisition project proposals will be submitted through a Notice of Funding Availability (NOFA)/Request for Proposal (RFP) process. This NOFA/RFP process will be separate from the ARC process. The main points of the program have been approved by the H&CS Commission and will be analyzed by the Project Advisory Committee (PAC) before recommended action is presented to the Board of Supervisors.

f. Economic Development

Economic Development is listed on the Consolidated Plan as a medium priority. The activity is not recommended for funding in Fiscal Year 2004-2005 per Table 3.

g. Years 1, 2, and 3 Proposals and Evaluations

Public Facilities and Improvement Projects (PF&I), Economic Development, Property Rehabilitation - Annual Review Process

Annually, ARC will reconvene, receive, and review applications for PF&I, Economic Development, and Property Rehabilitation projects resulting from an annual RFP process. The applications will be evaluated as described below.

The applications will be reviewed in a three-step process as follows:

1. Priority status assigned to projects that were previously funded for design and demonstrate the leveraging of funds with other sources.
2. H&CS staff will complete the initial threshold review for technical eligibility.
3. ARC will score applications based on quality review and evaluation.

ARC scores will be based exclusively on the written submission (i.e. application).

Years 1, 2 and 3 Public Services – Multi-Year Funding Process

In year 1, ARC will reconvene, receive, review, and evaluate applications for Public Service projects resulting from an RFP process. Applications for Public Service projects will only be reviewed if the applicant submitted an application for a project and the project scored high enough to receive funds in Year 1 (2003) allocation process. For years 2 and 3, ARC evaluations will focus primarily on performance (accomplishments and timely expenditure of funds) and progress towards meeting scheduled goals. Projects eligible for additional year funding will be rated in a five-step process as follows:

1. Priority status assigned to projects that were previously funded and demonstrate the leveraging of funds with other sources.
2. Compliance with contractual obligations (e.g. drawdown requirements).
3. Accomplishments reported on Grantee Performance Reports (GPRs) and/or other documentation as described in current year contract.
4. H&CS staff assessment of project performance and progress.
5. Quality review/evaluation and scoring by ARC.

III. APPLICATION REVIEW PROCESS

AS LISTED IN THE FUNDING ALLOCATION PROCESS SECTION AS DESCRIBED ABOVE:

- HOUSING DEVELOPMENT PROJECTS WILL NOT BE REVIEWED IN THIS PROCESS.
- PUBLIC FACILITIES AND IMPROVEMENT, ECONOMIC DEVELOPMENT, AND PROPERTY REHABILITATION) WILL BE FUNDED IN AN ANNUAL RFP PROCESS.
- PUBLIC SERVICES WILL BE EVALUATED IN THIS RFP PROCESS AND REEVALUATED FOR FUNDING FOR YEAR 2 AND YEAR 3, SUBJECT TO PERFORMANCE MEASUREMENT BASED UPON ANALYTICAL REVIEW OF GRANTEE PERFORMANCE REPORTS (GPR) AND CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT (CAPER).

a. Application Review Committee (ARC)

ARC is comprised of a team of two separate evaluation committees (one for public services and one for public facilities and improvements, economic development, and property rehabilitation). Each Committee is comprised of H&CS Housing Commission members, community representatives, and other individuals knowledgeable about activities. Projects not meeting contractual obligations, will have their funds be reprogrammed to projects meeting accomplishments as recommended by the ARC.

ARC will review the applicable proposals to determine the use of anticipated federal and local funds in coordination with the Consolidated Plan strategies and goals. The committees also will evaluate and consider the funding sources for all eligible applications submitted

within CDBG, ESG, HOME, HSS, and NDAPP Programs to leverage available funding. H&CS staff will provide technical support to the committees but will not rank applications or be voting members.

In order to facilitate accomplishment of the goals described in the Consolidated Plan and Identified in Table 3, overall targets or limits on allocations for activity types were established. ARC will utilize these targets or limits in formulating its rankings and recommendations. Funding for housing rehabilitation, public facility and improvements, and public services projects will be based on these priorities. Unsuccessful applicants will be afforded an opportunity to appeal to the ARC committee.

b. YEAR 1 Project Types (Public Services, Public Facilities and Improvement, Economic Development, and Property Rehabilitation)

Staff will conduct a threshold eligibility review of each new application for items including, but not limited to, completeness, eligibility in meeting the national objectives established by HUD, verification of non-profit status, etc. Applications meeting threshold review eligibility will be distributed to and rated by ARC. Applications not meeting this threshold review will be eliminated from further ARC consideration. Projects recommended for funding will be compiled in a table that is presented to the public in the draft Annual Action Plan.

c. New Applicants

All organizations submitting an application to H&CS must have been performing the service as described in their application for at least (1) one year before submitting the application. H&CS staff will conduct a site visit of all new applicants before forwarding the application to ARC. The site visit will require applicants to provide copies of any performance reports required by other funding organizations as a condition of funding.

d. Applicants with Current Contracts with H&CS

H&CS staff will assess demonstrated project performance levels of all applicants with current contracts with H&CS. The evaluative focus includes, but is not limited to, subrecipient compliance with contractual goals and demonstration of meeting scheduled accomplishments as reported on Grantee Performance Reports (GPR's) of current contract.

e. Year 2 and Year 3 Review Process (Public Services)

ARC will only evaluate applications for projects that received funds or scored high enough to receive funds in Year 1 and will focus their evaluation primarily on performance (accomplishments and timely expenditure of funds) and progress towards meeting scheduled goals of current contract. Projects eligible for Year 2 and Year 3 funding will be rated in a five-step process as follows:

1. Priority status assigned to projects that were previously funded for design and demonstrate the leveraging of funds with other sources.
2. Compliance with contractual obligations (e.g. drawdown requirements).
3. Scheduled accomplishments reported on Grantee Performance Reports (GPR's) and/or other documentation as described in current year contract.
4. H&CS staff assessment of project performance and progress.
5. Quality review/evaluation and scoring by ARC.

f. Policies

- A minimum grant amount will be established at \$10,000 per year for all projects.

- Provide available Operating Reserve funds for Housing Supportive Services (HSS).
- Not more than one proposal from any one organization serving the same population with the same service, or providing the same program or product, will be accepted.
- A copy of applicant's latest financial audit and management letter, which is not more than two years old, will be required.
- Non-successful applicants will have an appeal process to the ARC committee.
- Funds allocated to projects evaluated as not meeting scheduled accomplishments on the Grantee Performance Reports (GPR's) as described in current year contract will have remaining funds re-programmed as described in Section VIII of this document.

g. Implementation of Goals and Objectives

The County of Orange H&CS will continue to encourage the involvement of persons affected by the implementation of funding programs administered under the Urban County Program. More specifically, community involvement will be encouraged from the initial assessment of priority needs as described in the Consolidated Plan and subsequent Action Plans that identify strategy development and funding allocation, and ultimately through Consolidated Annual Performance Evaluation Report (CAPER) that describe progress and accomplishments.

The County will continue its citizen participation efforts to encourage involvement of persons 80 percent below median income, and lower-income residing within designated target areas. Particular effort will be made for residents of predominately lower-income neighborhoods, including homeless, minorities, non-English speaking persons, the elderly and disabled. Appropriate bilingual staff will be available at community meetings anticipating attendance of primarily non-English speaking residents. Newsletters and notices will be printed in appropriate languages and bilingual staff will be available at the public hearings.

Meetings/hearings will be held at times and locations reasonably convenient to actual or potential beneficiaries. In addition, all location sites for meetings and hearings will be accessible to persons with disabilities. In an effort to ensure that extremely low, very low, and lower-income households are informed, notices of meetings and hearings will be provided through one or more of the following methods: local publications, flyers, established resident mailing lists, civic group gatherings and target area community development committees.

The County shall, at least 30 days in advance of a Public Hearing, publish a notice in easily readable format in one or more newspapers of general circulation. These notices will provide the date, time, location and format of hearings and topics to be discussed which will be translated upon request. All other meetings to encourage public participation shall be reasonably made aware to affected residents through various means described above.

IV. CITIZEN PARTICIPATION FORUMS and ANNUAL ACTION PLAN

The participation of community residents is greatly encouraged through the Citizen Participation Plan. Residents are encouraged to communicate with County staff through various mediums and with elected officials. Residents are provided many opportunities to communicate, offer opinion, and submit their views throughout the year and methods for increasing access are constantly explored. Typically, community residents can participate through the following forums:

- H&CS Neighborhood Committee meetings.
- Access to H&CS community liaison staff via phone, e-mail, and in person.
- Community Center meetings.
- Local area non-profit meetings.

- Public meetings for cities, organizations, and interested persons at application workshops.
- Participating in city council meetings.
- County Board of Supervisors draft Action Plan Hearing (Public Hearing).
- County Board of Supervisors final Action Plan Hearing (Public Hearing).
- Via the Internet at <http://www.ochousing.org>.

a. H&CS Neighborhood Committee and Community Meetings

Informal meetings shall be held in both participating cities and in the unincorporated target areas to obtain community input on the use of funds for the respective jurisdiction, disseminate information regarding on-going or proposed projects, discuss items of concern by residents, and to organize community events, if desired. These meetings may be publicized through several methods, including community-wide mailers, postcards, flyers, and postings at community centers, Internet postings, utility billings, and community newspapers, among other means. Informational mailings may be sent out to each community up to four times a year, but no less than two times, detailing project information, HUD news and programs, local programs, uses of funds, and date of community meetings.

In the unincorporated communities, each community may form a Neighborhood Committee and elect officers on an annual basis. Officers shall be residents of the unincorporated areas, elected by their peers, and shall represent their respective community. The Neighborhood Committee Officers will take the lead in interacting with County officials in discussing the needs of the community and will serve as conduits for information regarding on-going activities. The Neighborhood Committees will meet at least once a year for elections, once for assessing community need, and are otherwise encouraged to meet on a quarterly basis. If the chair of a Neighborhood Committee does not schedule a quarterly meeting, H&CS staff may instead send information to each household through the use of a mailer, on issues affecting the residents.

The purpose of these meetings will be to present the CDBG, ESG, HOME, NDAPP, and HSS programs and regulations to these communities; discuss community needs; solicit ideas and receive citizen proposals for projects; discuss implementation of previously funded projects; comment on overall program performance; organize community events; and, distribute information on County and other programs of benefit. Neighborhood Committee meetings may be held in each of the unincorporated target areas or at a reasonably located facility. H&CS will also schedule up to two coalition meetings each year at the H&CS office, which will be open to all elected committee officers and which the public may attend. Coalition meetings are meetings of the elected members of each Neighborhood Committees. Such meetings will be publicized through mailings to Coalition members and interested members of the public.

b. City Council or Other Public Meetings

Each participating city shall hold meetings to discuss the aforementioned issues as well as information pertinent to the city's programs and projects.

Participating cities shall be responsible for conducting public meetings within their respective jurisdictions to receive citizen input on community needs and project priorities for submittal of project proposals to the County of Orange H&CS. Every participating city will hold at least one public hearing to provide their respective communities with general grant funding information and allow for citizen input for establishment of proposed city program activities for the upcoming program year. Cities are also encouraged to communicate with residents on project information through the Internet and regular city communications.

Public notices will be published 30 days prior to all public meetings in which action will be taken with regard to submitting project proposals to the County of Orange H&CS. Public notices must be in easily readable type in newspapers of general circulation, announcing the date, time, place, and procedures for the meeting and topics to be considered. Each city shall make reasonable efforts to provide notices in neighborhood newspapers or flyers serving extremely low, very low, and lower-income neighborhoods and non-English speaking residents.

Participating cities will also be responsible for maintaining records of public meetings, hearings, and notices or any survey information conducted to determine eligibility and needs of a potential or newly established service area. Survey methodology and forms are available from H&CS and HUD. Files and records maintained by a city must be made available to H&CS and HUD upon request.

c. Meetings for Development of the Annual Action Plan

The County of Orange H&CS will conduct public meetings to provide information and consider citizen input on the development of the Annual Action Plan. These meetings also function as workshop sessions providing technical assistance to cities, non-profit organizations, and other agencies in applying for funding under the Urban County Program.

d. Public Hearings on the Annual Action Plan

Two Board of Supervisors' hearings shall be conducted regarding the County's Annual Action Plan for consideration of related funding allocations and proposals. This allows an opportunity to obtain citizen views concerning Housing and Community Services (H&CS) needs and the proposed allocation of funding from CDBG, ESG, HOME, NDAPP, and HSS programs.

Notices will be sent to all persons, organizations, and applicants who participate in the application process by submitting proposals to inform them of the hearings. In addition, a community-wide notice in one or more local newspapers of general circulation shall announce these public hearings at least 30 days before the hearings.

Notices shall be published announcing the purpose, date, time, and location of the hearings as well as a telephone number to contact with any inquiries. Board agendas are posted in public places and are easily accessible to the public at least 72 hours before the public hearings. Efforts will also be made to post meeting information on the H&CS website www.ochousing.org.

The Board shall consider all comments received at public hearings on the Annual Action Plan, and funding proposals contained in the plan may be amended. Anyone may address comments concerning other aspects of this document during these public hearings. Once adopted by the County Board of Supervisors, the approved Annual Action Plan shall be submitted to HUD for consideration. Additional opportunities for public comment on the needs and use of funding will be available as needed.

V. STRATEGIC DEVELOPMENT

The previously described public meetings sponsored by H&CS for development of the Annual Action Plan shall be held with representatives of participating cities, agencies and organizations, as well as any interested public citizens. During the preparation of the Annual Action Plan, meetings are held to consider the Urban County Program's regional strategy developed from the citizen participation process for the use of these federal and

local funds. These meetings shall confirm the development planning process and will be held to obtain citizen views and proposals on needs and priorities for a consistent Housing and Community Services (H&CS) strategy.

After the preparation of a draft strategy, the following program information is provided to the public in the draft Annual Action Plan:

- The estimated amount of funds available to the Urban County Program, if available, for community development and housing activities (including planning and administrative activities);
- The eligible program activities that may be undertaken with these funds;
- The target areas and locations proposed for utilizing the available funding; and,
- The proposed allocation of federal funds to participating non-profit organizations, cities, unincorporated County target areas and basic eligible program categories and proposed funding allocations for local funding programs.

VI. INFORMATION/DOCUMENT ACCESSIBILITY

The following documents shall be made accessible, and when appropriate, duly noticed throughout the preparation process to provide open and continuous communication for all interested persons:

- Consolidated and Annual Action Plan (draft, final and amended versions).
- Annual Performance Report.
- Annual Funding Allocation Process and Citizen Participation Plan.
- Records of public hearings.
- Regulations and eligibility requirements governing programs.
- Contracting procedures, environmental policies, Fair Housing and Equal Opportunity requirements.
- Letters of approval, grant agreements, monitoring/evaluation reports, and other reports required by HUD.
- Mailings or other notices to community groups/organizations.

Copies of the first two documents listed, the Consolidated Plan and Annual Action Plan, shall be available at H&CS, all participating cities, County libraries, and target area community centers. Additional copies will be made available upon request to community centers, schools, or any public place accessible to 80 percent below median income, and lower-income persons or persons with disabilities, who will be affected by the CDBG, ESG, and HOME Programs. Copies of the remaining documents on the list will be available to the public at department offices and via the Internet. Comments, questions, or suggested amendments should be directed to the County of Orange H&CS Grant Management Section.

VII. CITIZEN COMMENTS and CONCERNS

The public is encouraged to submit comments, concerns, complaints, or suggestions either in person or in writing at any time during the consolidated planning process. Such communications can be submitted to H&CS staff designated as a contact person in public announcements or to the Director of H&CS. Opportunities to express comments and concerns will be scheduled at the target area/neighborhood community meetings, city council meetings, and Board of Supervisors Public Hearings. Additionally, a 30-day review period before approval of the draft Annual Action Plan will allow the public an opportunity to submit comments. All written comments regarding the Annual Action Plan shall be reviewed by staff and responded to in writing. Staff shall respond in writing within 15 working days of receipt of such communications.

a. Final Annual Action Plan and Funding Allocations

Following the 30-day review and comment period, a final version of the Annual Action Plan will be submitted to the Board of Supervisors for approval. All modifications and changes resulting from public comments or hearings will be reflected in this final Annual Action Plan. Upon approval by the Board, the Annual Action Plan shall be transmitted to HUD along with the approved funding applications and certifications. This final version of the plan will be published and distributed to participating cities, county libraries and community centers. Copies also will be available for public review at H&CS and on the H&CS website.

VIII. AMENDMENTS/CHANGES TO ANNUAL ACTION PLAN

During each program year, the County will monitor the progress and viability of activities funded in order to optimize resources for the community. The County may amend its approved Annual Action Plan for the following reasons:

1. Lack of scheduled accomplishments.
2. A substantial change in grant allocation.
3. An action results in the creation of a new activity.
4. A new project is created or an existing project is deleted.

In the event that additional funding becomes available, H&CS may pursue the various options to reallocate funds, including augmenting the funding awards of higher ranked proposals or awarding funds to alternate ranked projects that were not previously awarded funds. If funding issues arise, efforts will be made to utilize the ARC members who participated in the selection of proposals for the Annual Action Plan to provide continuity. Annual Action Plan amendments will be submitted periodically to the Board of Supervisors as needed. Amendments to the Annual Action Plan will be submitted to HUD once approved.

a. Criteria for "Substantial Amendments"

The County will consider a change as a "substantial amendment" under the following circumstances:

1. Decides not to carry out an activity previously described in the Annual Action Plan.
2. Carries out an activity not previously described in the Annual Action Plan.
3. Changes the purpose, scope, location, or beneficiaries of an activity.
4. Changes the use of CDBG funds from one eligible activity to another.
5. Changes of 25% or more in one program activity.

Citizens will be informed of any proposed substantial amendment through a public notice in a local newspaper of general circulation. The public will be given 30 days to comment on the proposed amendment. Such comments or views will be presented to the review committee for further consideration or may be presented at a Board of Supervisors meeting. All comments or views will receive a written response. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore, shall be attached to the substantial amendment of the consolidated plan.

Timely expenditure of HUD funds is a major requirement for participation in any federal program. In accordance with provisions set forth in this Citizen Participation Plan, H&CS monitors the progress of funded projects in order to ensure timely expenditures of funds and viability of activities. Unspent funds that can potentially be identified for reprogramming include:

- a) Projects completed for less than the original budget amount;
- b) Projects that have become unfeasible or incompatible; or
- c) Projects not completed within their contract period and the contract period and the contracts have expired.
- d) Reallocating funds from funded projects that have not met scheduled accomplishments or contractual goals, and/or H&CS staff determines that contractual goals are unattainable.

In an effort to ensure that the County achieves the mandated 1.5 ratio by April 30th of each program year, Board action (February 5, 2002) authorized the County to reallocate funds from H&CS programs which typically take longer to implement (i.e. affordable housing, rehabilitation, and PF&I funds) to projects, which can be completed within a 12-month period.

The function of reprogramming is to optimize use of valuable resources for other eligible activities. Projects to which funds may be transferred to included existing and new activities, all of which must be consistent with the strategies and priorities established in the Consolidated Plan.

b. Criteria for "Non-Substantial Amendments"

On September 30, 2003 the Honorable Board of Supervisors approved an action to delegate authority to the Director, H&CS, or designee, to administratively approve "non-substantial" amendments to previously approved activities and projects. Non-substantial amendments delegated to the director, or designee, include the following project specific occurrences:

- 1. Minor change in project location as long as the purpose, scope and intended beneficiaries remain essentially the same.
- 2. The transfer of funds within a project from one approved budget line item to another approved budget line item.
- 3. The reprogramming of funds that may become available to projects approved in an Annual Action Plan adopted by the Board of Supervisors.
- 4. The allocation of Program Income funds to support projects, activities and/or programs that are found to be consistent with the goals and objectives of an approved Annual Action Plan;
- 5. Provided that all projects involved have been approved by Board Action, the transfer and/or reprogramming of a subrecipient's funds from one project/activity to the same activity administered by the same subrecipient; not to exceed the original allocation of the combined activities.

These actions will continue to allow H&CS to execute contracts in a more timely manner, and to continue its efforts to expedite and simplify its housing projects and services while meeting annual Federal expenditure requirements.

Should a proposed amendment be "substantial" in nature as set forth herein, H&CS will present such amendments to the Board of Supervisors for approval.

IX. CONSOLIDATED ANNUAL PERFORMANCE and EVALUATION REPORT

H&CS shall prepare a Consolidated Annual Performance and Evaluation Report (CAPER) as prescribed by HUD. The information compiled in this document is necessary to assess the

progress on funding received by the County, participating cities, non-profits and other agencies or organizations. Data gathered in the compilation of the annual report will be used to supply information to HUD and the public on the accomplishments and services provided. The information will include the number of people served, ethnicity, income category, and type of service received, as well as current status on housing, public facilities and improvements, and other projects. The information also will be used to determine future funding considerations.

Information contained in the CAPER will be made available to the public. A public notice will be published in one or more newspapers of general circulation and the public will be advised of the opportunity to review the document and present comments. Copies of the document will be available at participating cities, County libraries and at H&CS. Additionally, a narrative copy of the CAPER may be located on the County website at www.ochousing.org. The report shall be submitted to HUD within ninety days (90) after the end of the program year and before September 30 of each year.

X. ENVIRONMENTAL REVIEW AND CERTIFICATION

As the lead agency responsible for the disbursement and monitoring of federal U.S. Department of Housing and Urban Development funds, H&CS shall ensure compliance with the requirements of the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). For both CEQA and NEPA, H&CS shall be responsible for conducting and/or coordinating environmental reviews, maintaining environmental records

CEQA: H&CS will recommend a CEQA finding for all H&CS funded projects. Said finding shall be produced either by H&CS staff analysis of the project or by concurrence with a previous CEQA finding of another public agency (i.e. non-county lead). H&CS will consult with PDSD Environment Planning Division in all CEQA analysis and review, and will refer projects with potential significant impacts to PDSD for further analysis.

NEPA: H&CS is the responsible entity for NEPA review of Federally funded H&CS projects as set forth in 24CFR Part 58. H&CS staff will perform a NEPA analysis, submit NEPA determinations to the H&CS Director, or designee, as Certifying Officer, complete all publishing requirements and request Release of Funds from HUD based on that determination, regardless of any previous environmental review by another public agency.

When possible, H&CS will participate in the initial CEQA review process by receiving a report on a proposed project and having the option of commenting to the lead agency before any initial CEQA determinations are made. As a "non-county lead", a city or other agency would either forward project information directly to H&CS and/or the County of Orange Planning and Development Services Department (PDSD). The preliminary analysis would be routed to H&CS as part of the Non-County project review process. Program Compliance staff would then be responsible for routing the information for comment within H&CS as appropriate and for compiling H&CS comments for submittal to the reviewing agency.

Applications for H&CS project funding from potential subrecipients, whether through the annual Application Review Committee or in response to an H&CS/Housing Finance and Policy Division Request for Proposal, shall require submittal of an Environmental Information Form (EIF) along with any relevant previous environmental reviews or studies.

All projects must demonstrate compliance with CEQA by providing certified CEQA documentation. Certification demonstrating NEPA compliance are required only for those actions funded in part with Federal funds.

XI. POLICIES and PROCEDURES for DISPLACEMENT of INDIVIDUALS or FAMILIES

It is the policy of the County of Orange that all individuals, families, and businesses displaced from their homes or locations as a result of H&CS acquisition or rehabilitation activities for public purposes will receive fair, uniform, and equitable treatment. Displaced individuals or families shall not suffer disproportionate consequences as a result of projects designed for the benefit of the public as a whole.

In the event that displacement or relocation is anticipated, a relocation plan must be submitted to the county for review and approval prior to any action to relocate or displace. The County shall provide assistance to help any displaced individuals or families assisted by the County's housing programs as stated in Housing and Community Services (H&CS) 's "Policies and Procedures for Temporary Relocation of Housing Program Participants".

XII. LEAD SAFE HOUSING REGULATION

The County of Orange is addressing the problem of Lead-Based Paint through its implementation of the Lead Safe Housing Regulation, which is to target housing constructed before 1978, and where children under six are most at risk of being infected by the hazards of lead-based paint. The County has recently adopted a new set of agreements and guidelines that provide grant funding for lead hazard control to property owners participating in H&CS housing rehabilitation programs. The Lead Safe Housing Regulation was published in the Federal Register on September 15, 1999 and became effective in Orange County after a series of extensions on January 10, 2002. H&CS is working in collaboration with over twenty other Orange County city governments and Housing Authorities to implement the HUD Lead Safe Housing Regulation. The purpose of the Consortium is to mutually share in a regional effort to provide support and information to the County and those cities that perform housing services to ensure compliance with HUD's Lead Safe Housing Regulations. The Consortium is presently attempting to increase the capacity of state certified service providers who are certified to safely and effectively identify, evaluate, and perform interim controls and reduce the hazards of lead-based paint.

All questions or additional information regarding the County of Orange Lead-Based / Lead Safe Housing Regulation program should be addressed to the contact identified below.

**County of Orange
Housing and Community Services (H&CS) Department
1770 North Broadway
Santa Ana, CA 92706-2680
Ken Domer, Section Chief
(714) 480-2990
E-MAIL: ken.domer@hcd.ocgov.com**

XIII. THE AMERICANS WITH DISABILITIES ACT

H&CS has been very active in meeting the Federal Regulations of the Americans with Disabilities Act (ADA). This Fiscal Year, H&CS is retrofitting all of the public facilities it administrates for compliance with handicapped accessibility standards. These improvements have been completed at the H&CS Offices and El Modena Community Center, and are currently underway at Anaheim Independencia and Midway City Community Centers. As budgeted, H&CS will also participate in the Countywide program to correct deficiencies at all County facilities used by the public.

All questions or additional information regarding the County of Orange American Disability Act should be addressed to the contact identified below.

**County of Orange
Housing and Community Services (H&CS) Department
1770 North Broadway
Santa Ana, CA 92706-2680
Joe Chaikin, Project Coordinator
(714) 480-2998
E-MAIL: joe.chaikin@hcd.ocgov.com**

XIV. ANNUAL FUNDING ALLOCATION POLICY PROCESS & CITIZEN PARTICIPATION PLAN

All questions or additional information regarding the County of Orange Multi-Year Funding Allocation Process and Citizen Participation Plan should be addressed to the contact identified below.

**County of Orange
Housing and Community Services (H&CS) Department
1770 North Broadway
Santa Ana, CA 92706-2680
Orlando M. Calleros, Chief, Grant Management Section
(714) 480-2731
E-MAIL: orlando.calleros@hcd.ocgov.com**

Questions or additional information regarding a city project may be directed to that city's community development department. The following cities, as previously identified, are participants in the Urban County's Community Development Block Grant Program: Brea, Cypress, Dana Point, Laguna Beach, Laguna Hills, Laguna Woods, La Palma, Los Alamitos, Placentia, Rancho Santa Margarita, San Clemente, Seal Beach, Stanton, Villa Park and Yorba Linda.

Internet access is available at <http://www.ochousing.org>

PROPOSED

**FUNDING ALLOCATION POLICY PROCESS (FAPP)
AND
CITIZEN PARTICIPATION PLAN (CPP) SCHEDULE**

July 1, 2003	<u>Preparation of Fiscal Year 2003-04 contracts</u> - Year 30 begins.
July – Sept	<u>Citizen Participation activities</u> – H&CS conducts series of community group meetings.
August 4, 2003 - September 3, 2003	<u>Public Notice for 30-Day Public Review Period</u> of CPP/ARC Policies.
September 30, 2003	OC Board of Supervisors, Public Hearing for FAPP and CPP.
October 8, 2003	<u>Technical Assistance Workshop</u> for applicants.
October 29, 2003	<u>Receipt of FY 2004-2005 Applications.</u>
November 14, 2003	ARC Team Review Process.
December 17, 2003	ARC Funding Recommendations.
January 13, 2004	<u>ARC award letters</u> forwarded to successful and unsuccessful applicants.
January 20, 2004	Appeals Letter due to H&CS Director.
February 5, 2004	<u>ARC reconvenes</u> to consider appeals and final recommendation.
February 23, 2004	<u>Public 30-day Review Period</u> of Draft Annual Action Plan (AAP).
Feb/Mar	<u>Target Area/Coalition Meetings</u> (Tentative).
April 13, 2004	<u>OC Board of Supervisors First Public Hearing</u> to receive public comment(s) on the draft AAP.
May 4, 2004	<u>OC Board of Supervisors Second Public Hearing</u> for Adoption of Final AAP.
May 15, 2004	<u>Annual Action Plan</u> for FY 2004-2005 submit to HUD, LA.
July 1, 2004	<u>FY 2004-3005 Contracts completed</u> and distributed.
July 2004	<u>HUD/U.S. Treasury funds</u> approved FY 2004/2005 projects.

Dates are subject to change.